

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1690 - SB 1742**

February 2, 2020

**SUMMARY OF BILL:** Requires the Department of Correction (DOC) to pay a qualifying county an additional \$5 per day recidivism-reduction discount per eligible felon if certain criteria are met. Effective January 1, 2021.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$4,606,500/FY20-21  
\$8,784,300/FY21-22 and Subsequent Years**

**Increase Local Revenue – \$4,140,600/FY20-21  
\$8,281,100/FY21-22 and Subsequent Years**

**Increase Local Expenditures –  
Up to \$4,140,600/FY20-21/Permissive  
Up to \$8,281,100/FY21-22 and Subsequent Years/Permissive**

**Other Fiscal Impact-** In future fiscal years, there will be a decrease in state incarceration expenditures resulting from programs provided at local jails to felons reducing recidivism. The timing and amount of any decrease is dependent upon multiple unknown factors and cannot be quantified with reasonable certainty.

Assumptions:

*Program and Analysis Parameters*

- The proposed legislation applies to counties with a population less than 300,000 according to the 2010 federal census, that pursuant to a state contract house convicted felons in county jail facilities and provide DOC approved evidence-based programs to reduce recidivism rates among convicted felons.
- According to data from the 2010 federal census, counties exceeding 300,000 in population are:
  - Davidson
  - Hamilton
  - Knox
  - Shelby

- The proposed legislation requires the stipend be set at \$5 per day per inmate participating in a qualifying program, and requires DOC to compensate the county for each program in which the felon is enrolled.
- In order to maintain such stipend, the proposed legislation requires eligible counties to provide documentation that at least 70 percent of felons who enroll in such programs go on to complete them in a timely manner as determined by DOC.
- The proposed legislation is effective January 1, 2021 which is approximately 50 percent of FY20-21. As such, this analysis estimates 50 percent of the fiscal year impact will occur in FY20-21 and 100 percent will occur in FY21-22 and subsequent fiscal years.

#### *Program Participation*

- Any action taken by a county to contract with the state to house state convicted felons and participate in offering such programs is permissive.
- Based on information provided by the DOC, in FY18-19 an average of 6,046 convicted felons were housed in local jails in counties with a population of less than 300,000.
- This analysis estimates 75 percent of such inmates will reside in a participating county and take one eligible year-long program each year.
- This analysis assumes such programs will comply with all DOC requirements.
- The total one-time increase in state expenditures in FY20-21 resulting from the proposed legislation is estimated to be \$4,140,565  $\{[(6,046 \times 75\%) \times \$5 \times 365.25] \times 50\%\}$ .
- The recurring increase in state expenditures in FY21-22 and subsequent fiscal years resulting from the proposed legislation is estimated to be \$8,281,131  $[(6,046 \times 75\%) \times \$5 \times 365.25]$ .
- The proposed legislation will result in a corresponding one-time increase in local revenue in FY20-21 estimated to be \$4,140,565 and a recurring increase of local revenue in FY21-22 and subsequent fiscal years estimated to be \$8,281,131.
- Some counties will be incentivized to establish such programs, while counties with existing programs may choose to invest additional funds into such programs. The exact extent to which local revenue will be invested into such programs is unknown; however, the permissive one-time increase in local expenditures in FY20-21 estimated to be up to \$4,140,565 and a permissive recurring increase in local expenditures in FY21-22 and subsequent fiscal years estimated to be up to \$8,281,131 to provide materials, training, and staff necessary to offer such programming and ensure DOC compliance.

#### *DOC Oversight*

- The proposed legislation requires the DOC to determine the eligibility of programs that are evidence-based and matched to the risk needs of enrolled offenders and to ensure at least 70 percent of enrollees in such programs go on to complete them in a timely manner.
- In order to accomplish the required oversight, DOC will require additional personnel.
- The DOC will require six Correctional Counselor 1 positions for quality assurance of programs.
- The recurring salary and benefits for each of the six positions is estimated to be \$45,313 (\$33,228 salary + \$12,085 benefits).

- The DOC will require two Correction Program Manager 1 positions for program oversight.
- The recurring salary and benefits for each position is estimated to be \$47,244 (\$34,884 salary + \$12,360 benefits).
- Additionally, the eight (6 +2) positions will require recurring funding for travel, supplies, user licenses, training, etc., estimated to be \$17,100 per year.
- The one-time increase in state expenditures in FY20-21 for of the eight positions is estimated to be \$214,400 [(\$1,800 computer + \$25,000 vehicle) x 8].

#### *State Impact*

- The total increase in state expenditures in FY20-21 resulting from the proposed legislation is estimated to be \$4,606,548 (\$4,140,565 + {[((\$45,313 x 6) + (\$47,244 x 2) + (\$17,100 x 8)) x 50%] + \$214,400).
- The total increase in state expenditures in FY21-22 and subsequent fiscal years resulting from the proposed legislation is estimated to be \$8,784,297 [\$8,281,131 + (\$45,313 x 6) + (\$47,244 x 2) + (\$17,100 x 8)].
- This analysis assumes the DOC will select and approve evidence-based programs that will result in a reduction in recidivism rates among convicted felons.
- The proposed legislation is effective January 1, 2021; therefore, any felon participating in programs outlined in the proposed legislation will complete them at least one year from that time and be released from the local facility sometime after completing such programs.
- This analysis assumes the proposed legislation will reduce recidivism and result in a decrease in state incarceration expenditures in future fiscal years; however, due to multiple unknown factors, including: the timing of any release of any participating felon, the program offerings, and the timing of any offense and sentence avoided through participation in programs, such decrease cannot be quantified with reasonable certainty.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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